GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:277
ANSWERED ON:20.10.2008
FOREIGN COMPANIES IN DEFENCE PRODUCTION
Chakraborty Shri Ajay

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government has recently allowed foreign companies in defence production:

(b) if so, the details thereof;

(c) whether the Government has taken adequate safety measures keeping in view the sensitive nature of the production system;

(d) if so, the details thereof;

(e) whether the indigenous companies engaged in producing defence items at present are not equipped enough to produce those items for which the foreign companies are proposed to be allowed;and

(f) if so, the details thereof?

Answer

MINISTER OF STATE FOR DEFENCE PRODUCTION(RAO INDERJIT SINGH)

(a) No Sir.However,Foreign Direct Investment(FDI) upto 26% is permissible in Indian companies/partnership firms,subject to licensing.

(b) to (f): In view of (a) above,does not arise.